

# REPUBLICAN STUDY COMMITTEE

MARCH 2012

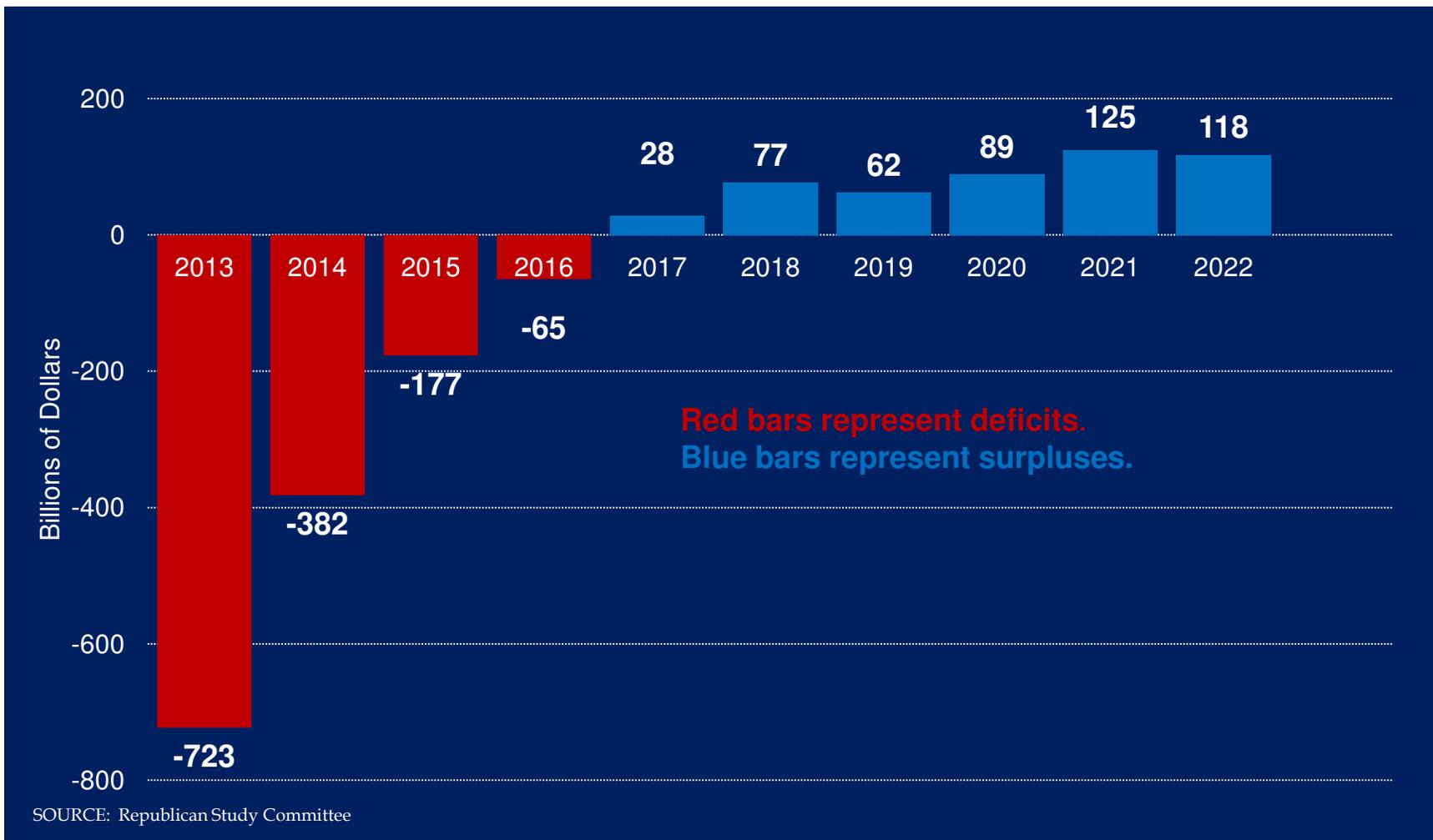
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CUT, CAP, AND BALANCE: FY 13 BUDGET

# RSC: The Path to Balance



# Spending



- Repeal ObamaCare to eliminate \$636 billion in additional spending over ten years.
- Freeze total discretionary spending at FY 2008 levels (\$931 billion) beginning in 2013 through 2017. Grow with inflation thereafter.
- Defense spending would total \$554 billion in 2013 and would increase to \$699 billion in 2022.
- Reduce non-defense discretionary spending from \$377 billion in 2013 to \$329 billion in 2022.
- Reduce unnecessary mandatory spending—other than Medicare, Medicaid, and Social Security—by \$1.3 trillion between 2013 and 2022.

# Medicare



- ❑ No changes for individuals currently age 55 and older.
- ❑ Beginning in 2023, transition to a solvent, “premium-support” system as proposed by the House Republican budget, which provides Medicare enrollees a greater menu of choices, harnesses the power of competition among private insurance plans, and improves the quality of care.
- ❑ Adjust premiums by health status, income, and regional medical prices.
- ❑ Slowly phase in an increase in the Medicare eligibility age for those born in 1958 and after, by two months per year.

# Medicaid



- Beginning in 2013, block-grant Medicaid at FY 2012 levels.
- Empower the states with the appropriate flexibility to determine Medicaid eligibility and benefits (saves \$2 trillion).

# Social Security



- No changes for individuals currently age 55 and older.
- Slowly phase-in an increase in the Social Security full retirement age for individuals born in 1958 for an eventual full-retirement age of 70.

# Jobs Through Growth



- **Simplify the individual and corporate tax code** to promote economic growth and job creation.
- **Cut red tape** on America's job creators, especially small businesses.
- **Increase American energy production** to create jobs and promote energy independence.

# Pro-Jobs Tax Reform

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- Create a new, voluntary tax system with *two* rates: **15%** and **25%**
- Eliminate the AMT and death tax
- Set a **15%** rate for investment income
- Index the capital gains tax for inflation
- Set a **25%** rate for corporations
- Direct tax-writing committees to eliminate corporate tax preferences, such as deductions and credits, and to move to a territorial tax system

# Cut Red Tape



- Block regulatory agencies from issuing new regulations that impose costs until the economy recovers
- Require congressional approval of all major regulations
- Require greater consideration of the impact of regulations on small businesses

# Cut Red Tape



- Increase small business regulatory exemption from 50 to 200 employees
- Allow small businesses to opt out of federal regulations that took effect on or after January 1, 2008 if businesses follow notification requirements

# Increase Energy Production



- Remove government barriers to energy production in the OCS, ANWR, and other federal lands
- Reform the current dysfunctional permitting process
- Provide relief from burdensome energy regulations